

Presentation for U.S. House Agriculture Subcommittee

On Livestock and Horticulture Hearing

July 31, 2006 at Sioux Center, Iowa

I am Jim Meyer of Odebolt, Iowa. I am here representing myself as a board member of Western Iowa Energy Biodiesel at Wall Lake, IA and East Fork Biodiesel at Algona. Madeline and I are also investors in ethanol plants. I have been farming and involved with Farm Bureau, Iowa Pork Producers and Iowa Corn Growers since 1966.

Rural Iowa is experiencing a once in a generation rural economic opportunity. This opportunity is provided through the fast expansion of the production of Renewable Energy in making ethanol and biodiesel. In western Iowa, we have not been offered such an opportunity since the start of Iowa Beef Packers at Denison, IA in the early 60s. Investing in Renewable Energy is not limited to Iowa as these crop driven fuel refineries are springing up all over the U.S. and the world.

The Energy title of the next farm bill needs to be strengthened to assure that this rural economic development continues, at the same time reducing costly farm production support.

Rural development funding has been very helpful in encouraging economic activity for rural America. However the developing research perfecting the converting of corn to ethanol and triglycerides to bio-diesel is having a greater impact. Each bio-refinery provides an annual payroll of a million dollars or more that stays in local communities. More importantly, thanks to ethanol and biodiesel incentives, millions of dollars of dividends, pass through tax credits and appreciated value of investment stock

has provided an infusion of economic activity that has never previously been experienced in rural America. This impact has been further supported by research dollars invested in crop research and development. The opportunity to earn profit through a good investment is far superior to receiving a government payment just for being a food producer.

The 2007 Farm bill gives us a tremendous opportunity to provide a food production safety net through providing investment option and allowing crop producers to receive a profitable price for commodities produced. Following are the elements that I feel should be emphasized in new legislation.

- The \$.51 ethanol production incentive and the \$1 blender's credit for bio-diesel should be extended and considered as an investment in rural economic development.
- Thirty years of research in production of ethanol from corn and other forms of bio-mass has made this fuel practical and cost effective. The same is true for the chemical process of converting triglycerides to bio-diesel. Research funding to further refine these processes should be continued at an adequate rate.
- Cellulosic research is exciting but caution needs to be taken that research dollars for this project are not taken from current ethanol and biodiesel production which we know will work.
- The future success of renewable energy production in rural America hinges on well run, profitable livestock operations. While soybeans previously had been processed for soy meal and oil was a co-product to

get rid of, in the future soybeans will be processed for the oil feedstock for biodiesel and other products. Soy meal will be the product to get rid of. At the same time corn being processed to make ethanol is profitable, but we need to use the distilled grain. A strong livestock and poultry feeding economy is the key to successful use of soy meal and distilled grain co-products as a source of protein for livestock and poultry. If we cannot find a way to produce livestock and poultry in large enough production centers to be profitable, the renewable energy plants will be handicapped. Fortunately livestock regulation has been left to the states to resolve. Providing research dollars to learn how to raise livestock and poultry without upsetting neighbors is an important function of federal government and should be part of the Farm Bill.

- Our friends who are not in the business of producing renewable energy or food need to have a good reason to support a farm bill. By providing stability so that renewable fuel can be provided to our citizens, we will attract urban support. We are all interested in clean air, clean water, less dependence on foreign oil imports, and providing more dollars pumped into our local communities through profitable renewable refineries. We are all also interested in keeping good production agriculture operators in business to produce safe, healthy and reasonable priced food. If done correctly the next Farm Bill can attract urban and rural support and not be a heavy burden on taxpayers.

In summary, I feel we should seize the opportunity to let renewable energy tax dollar investment through federal funding provide for a large portion of rural economic development. The tax payer will get more per dollar paid and the people invested in renewable energy will have the joy of being involved. Livestock and Poultry production is a key to the success of renewable energy. Difficult economic and social challenges of production agriculture are best resolved by providing our best scientific minds with sufficient research dollars, typically through our land grant universities to resolve the problems.

Production agriculture has never been more exciting. In my opinion the best farm bill is one that:

- Provides a safety net that rewards farmers for doing things right.
- Encourages risk management programs and rural investments to cover low income or weather related problems and eliminating the need for disaster payments.
- Provides research dollars to find the most environmentally sound and profitable methods to provide energy and food for U.S. citizens.

Thank you for providing this opportunity for those of us in the trenches to share our own and neighborhood thoughts on the next Farm Bill. We need the stabilizing influence of a good Farm Bill to continue to provide needed energy and food for our citizens at a reasonable cost.

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Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Jim Meyer
Address: 1854 280th St. Odessa, Iowa 51458
Telephone: 712-668-4184
Organization you represent (if any): _____

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: None as an individual Amount: _____
Source: my involvement with two biodiesel plants and Iowa Gov Grovers involves several grants. Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____
Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: James A. Meyer

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.